

State of Idaho

Legislative Services Office

Individual Entity Audit Report

A communication to the Joint Finance-Appropriations Committee

SOUTHWEST DISTRICT HEALTH (III)

FY 2008-2009

Report OP95309
Date Issued: April 12, 2010

Serving Idaho's Citizen Legislature



Don H. Berg, Manager

Idaho Legislative Services Office
Legislative Audits Division

SOUTHWEST DISTRICT HEALTH (III)

SUMMARY

PURPOSE OF AUDIT REPORT

We have audited the financial statements of Southwest District Health (III) for the fiscal years ended June 30, 2008 and 2009, in accordance with auditing standards generally accepted in the United States of America. The purpose of our audit is to determine whether the District's financial statements are materially accurate and reliable, and that it complied with laws and regulations affecting fiscal operations.

CONCLUSION

We conclude that District's financial statements are materially accurate and reliable, and fiscal operations materially comply with related laws and regulations. As a result, we issued an unqualified opinion on the District's financial statements.

FINDINGS AND RECOMMENDATIONS

There are no findings and recommendations in this report or the prior report.

AGENCY RESPONSE

The District has reviewed the report and is in general agreement with its contents.

OTHER INFORMATION

We discussed other issues which, if changed, would improve internal control, compliance, and efficiency.

This report is intended solely for the information and use of the State of Idaho, Southwest District Health (III), and the District's Board, and is not intended to be used by anyone other than these specified parties.

We appreciate the cooperation and assistance given to us by the director, Bruce Krosch, and his staff.

ASSIGNED STAFF

Eugene Sparks, CPA, CGFM, Managing Auditor
Patrick Aggers, CPA, In-Charge Auditor
Shannon Thomas, Staff Auditor
Kyle Wilmot, Staff Auditor

OP95309

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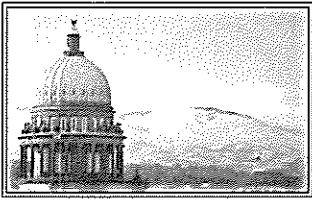
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Legislative Services Office Idaho State Legislature

Serving Idaho's Citizen Legislature

Jeff Youtz
Director

April 12, 2010

Unqualified Opinion on
Basic Financial Statements

Independent Auditor's Report

Bruce Krosch, Director
Southwest District Health (III)
920 Main Street
Caldwell, ID 83605

William Brown, Chair, District III Board of Health
c/o Adams County Courthouse
P. O. Box 48
Council, ID 83612

Dear Mr. Krosch and Mr. Brown:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the remaining fund information of Southwest District Health (III), as of and for the years ended June 30, 2008 and 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the major fund and the remaining fund information of the District as of June 30, 2008 and 2009, and the respective changes in financial position for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 12, 2010, on our consideration of the District's internal control over financial reporting, and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an

Mike Nugent, Manager
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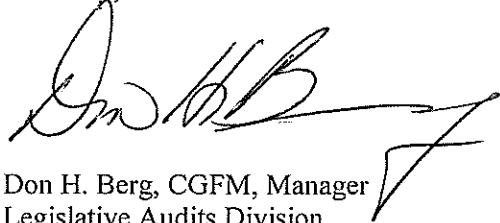
integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered when assessing the results of our audit.

The District has not presented the Management Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

The budgetary comparison information on pages 21 and 22 is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for the purpose of additional analysis as required by *OMB Circular A-133*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Sincerely,

A handwritten signature in black ink, appearing to read "Don H. Berg", with a long horizontal flourish extending to the right.

Don H. Berg, CGFM, Manager
Legislative Audits Division

STATE OF IDAHO
SOUTHWEST DISTRICT HEALTH (III)
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2008 AND 2009

	June 30, 2008 Governmental Activities	June 30, 2009 Governmental Activities
ASSETS		
Cash	\$60,953	\$118,721
Investments	3,671,878	3,825,929
Interagency Receivables	290,414	361,366
Accounts Receivable	478,215	412,822
Prepaid Expense	9,047	15,841
Capital Assets		
Non-Depreciable	476,428	556,128
Depreciable - Net of Accumulated Depreciation	1,695,875	1,641,996
TOTAL ASSETS	<u>\$6,682,810</u>	<u>\$6,932,803</u>
LIABILITIES		
Accounts Payable	\$62,047	\$103,637
Payroll and Benefits Payable	205,043	226,470
Due Within One Year	279,133	272,907
Noncurrent Liabilities		
Due in More Than One Year	200,871	169,273
TOTAL LIABILITIES	<u>\$747,094</u>	<u>\$772,287</u>
NET ASSETS		
Invested in Capital Assets - Net of Related Debt	\$2,172,303	\$2,198,124
Unrestricted	3,763,413	3,962,392
TOTAL NET ASSETS	<u>\$5,935,716</u>	<u>\$6,160,516</u>

The accompanying notes are an integral part of these financial statements.

STATE OF IDAHO
SOUTHWEST DISTRICT HEALTH (III)
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2008 AND 2009

		Program Revenue		Net (Expenses) Revenues and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	
	<u>FISCAL YEAR 2008</u>	Expenses		
PROGRAMS				
Governmental Activities				
Board of Health		\$52,431	\$0	(\$52,431)
Administration		1,293,791	11,916	(200,572)
Family Health Services		2,469,289	732,834	(934,743)
Environmental Health		1,449,178	604,408	(565,143)
General Support		898,286	42,119	(826,120)
Nutrition and Health Promotion		1,504,251	10,249	(39,304)
Total Governmental Activities		<u>\$7,667,226</u>	<u>\$1,401,526</u>	<u>(\$2,618,313)</u>
General Revenues				
State Appropriation				\$1,540,700
Interest Income				165,306
County Contributions				1,073,911
Total General Revenues				<u>\$2,779,917</u>
Change in Net Assets				\$161,604
Beginning Net Assets (As Restated)				5,774,112
Ending Net Assets				<u>\$5,935,716</u>
		Program Revenue		Net (Expenses) Revenues and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	
	<u>FISCAL YEAR 2009</u>	Expenses		
PROGRAMS				
Governmental Activities				
Board of Health		\$74,644	\$2,619	(\$21,796)
Administration		1,204,948	17,200	(342,173)
Family Health Services		2,289,012	696,696	(882,005)
Environmental Health		1,331,662	388,454	(660,661)
General Support		853,351	24,463	(796,712)
Nutrition and Health Promotion		1,587,135	2,842	193,497
Total Governmental Activities		<u>\$7,340,752</u>	<u>\$1,132,274</u>	<u>(\$2,509,850)</u>
General Revenues				
State Appropriation				\$1,502,900
Interest Income				71,478
County Contributions				1,160,272
Total General Revenues				<u>\$2,734,650</u>
Change in Net Assets				\$224,800
Beginning Net Assets				5,935,716
Ending Net Assets				<u>\$6,160,516</u>

The accompanying notes are an integral part of these financial statements.

STATE OF IDAHO
SOUTHWEST DISTRICT HEALTH (III)
BALANCE SHEET
GOVERNMENTAL FUND
AS OF JUNE 30, 2008 AND 2009

	June 30, 2008 Special Revenue Fund	June 30, 2009 Special Revenue Fund
ASSETS		
Cash	\$60,953	\$118,721
Investments	3,671,878	3,825,929
Interagency Receivables	290,414	361,366
Accounts Receivable	478,215	412,822
Prepaid Expense	9,047	15,841
Total Assets	<u>\$4,510,507</u>	<u>\$4,734,679</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	\$62,047	\$103,637
Deferred Revenue	354,914	310,375
Payroll and Benefits Payable	205,043	226,470
Operating Lease Payable Within One Year	32,158	32,334
Total Liabilities	<u>\$654,162</u>	<u>\$672,816</u>
Fund Balances:		
Unreserved Fund Balance	\$3,856,345	\$4,061,863
Total Fund Balance	<u>\$3,856,345</u>	<u>\$4,061,863</u>
Total Liabilities and Fund Balance	<u>\$4,510,507</u>	<u>\$4,734,679</u>

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET ASSETS

Total Fund Balance - Governmental Funds	\$3,856,345	\$4,061,863
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of the following:		
Land	474,735	464,435
Construction in Progress	1,693	91,693
Building and Improvements	1,789,223	1,737,023
Equipment	267,096	326,762
Vehicles	374,634	359,362
Accumulated Depreciation	(735,079)	(781,151)
Total Capital Assets	<u>\$2,172,302</u>	<u>\$2,198,124</u>
Some of the District's revenue will be collected after year-end, but is not available soon enough to pay for the current period's expenditures and, therefore, is deferred in the funds.	354,914	310,375
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities consist of the following:		
Compensated Absences	(252,014)	(245,483)
Other Postemployment Benefits	(130,173)	(127,014)
Operating Lease Payable	<u>(65,658)</u>	<u>(37,349)</u>
Net Assets of Governmental Activities	<u>\$5,935,716</u>	<u>\$6,160,516</u>

The accompanying notes are an integral part of these financial statements.

STATE OF IDAHO
SOUTHWEST DISTRICT HEALTH (III)
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEARS ENDED JUNE 30, 2008 AND 2009

	Year Ended June 30, 2008			Year Ended June 30, 2009		
	Special Revenue Fund 0290	Non-Major Millennium Fund 0499	Total Governmental Funds	Special Revenue Fund 0290	Non-Major Millennium Fund 0499	Total Governmental Funds
REVENUES						
Health and Professional Services	\$1,256,367	\$0	\$1,256,367	\$1,088,614	\$0	\$1,088,614
Interest	165,305	0	165,305	71,478	0	71,478
Federal Grants	3,300,087	0	3,300,087	3,431,449	0	3,431,449
State Grants	112,517	0	112,517	146,060	0	146,060
City/County Grants	1,156,406	0	1,156,406	1,224,759	0	1,224,759
Rent and Lease Income	14,491	0	14,491	10,372	0	10,372
Sale of Land, Buildings, or Equipment	12,096	0	12,096	15,297	0	15,297
Miscellaneous Revenue	44,383	0	44,383	40,261	0	40,261
General Fund Support	1,540,700	78,100	1,618,800	1,502,900	78,900	1,581,800
TOTAL REVENUES	\$7,602,352	\$78,100	\$7,680,452	\$7,531,190	\$78,900	\$7,610,090
EXPENDITURES						
Current						
Board of Health	\$51,415	\$0	\$51,415	\$75,044	\$0	\$75,044
Administration	1,145,236	0	1,145,236	1,053,999	0	1,053,999
Family Health Services	2,421,444	0	2,421,444	2,301,253	0	2,301,253
Environmental Health	1,421,097	0	1,421,097	1,338,783	0	1,338,783
General Support	880,880	0	880,880	857,914	0	857,914
Nutrition and Health Promotion	1,398,518	78,100	1,476,618	1,516,301	78,900	1,595,201
Capital Outlay	176,761	0	176,761	182,378	0	182,378
TOTAL EXPENDITURES	\$7,495,351	\$78,100	\$7,573,451	\$7,325,672	\$78,900	\$7,404,572
Excess (Deficiency) of Revenues Over Expenditures - Net Change in Fund Balance	\$107,001	\$0	\$107,001	\$205,518	\$0	\$205,518
Beginning Fund Balance (As Restated)	3,749,344	0	3,749,344	3,856,345	0	3,856,345
ENDING FUND BALANCE	\$3,856,345	\$0	\$3,856,345	\$4,061,863	\$0	\$4,061,863

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES

Net Change in Fund Balance - Governmental Fund	\$107,001	\$205,518
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, these costs are allocated as depreciation expense. Capital outlays exceeded depreciation expense in the current year by the following amount:		
Capital Outlay	184,084	182,378
Depreciation Expense	(99,727)	(110,533)
	\$84,357	\$71,845
Miscellaneous transactions involving capital assets such as sales (gain/loss) and donations are reported in the Statement of Activities but only proceeds from sales are reported in the governmental funds.	(33,523)	(46,023)
Revenues reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.	148,378	(44,538)
Repayment of long-term debt is reported as expenditures in governmental funds; however, the repayments reduce long-term liabilities in the Statement of Net Assets.	(26,707)	28,308
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. Some expenditures reported in the governmental funds either increase or decrease long-term liabilities reported in the Statement of Net Assets. In the current year these amounts consisted of the following:		
Compensated Absences	12,271	6,531
Other Postemployment Benefits	(130,173)	3,159
	(\$117,902)	\$9,690
Change in Net Assets - Governmental Activities	\$161,604	\$224,800

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

The Health District is not a State agency. In determining how to define Southwest District Health (III) for financial reporting purposes, management has considered all potential component units in accordance with *GASB Statement 14*, as amended by *GASB Statement 39*. The legislature created seven health districts throughout the State in 1970. In 1976, the legislature expressed specific intent that the districts were not to be considered State agencies, but were to be recognized as authorized governmental entities. *Idaho Code*, Section 39-414 specifically states that "...a public health district is not a subdivision of the state and shall be considered an independent body corporate and politic..." Although the districts are not State agencies, all districts have opted to process their financial transactions through the State accounting system.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (Statement of Net Assets and Statement of Activities) report information on all activities of the District. These activities are financed through General Fund appropriations, county contributions, federal grants, state grants, local grants, and program revenues.

The Statement of Net Assets presents the District's assets and liabilities, with the difference reported as net assets. Net assets are reported in two categories:

1. *Invested in Capital Assets, Net of Related Debt* are capital assets, net of accumulated depreciation and reduced by related outstanding debt.
2. *Unrestricted Net Assets* consist of net assets that do not meet the definition of *Restricted Net Assets*. Unrestricted net assets often have constraints on resources that are imposed by management, but can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. Program revenues include fees and charges paid by recipients of goods or services offered by the program. Appropriations, contributions, interest income, and other items not meeting the definition of program revenues are reported as general revenue.

Separate financial statements are provided for governmental funds. Individual government funds are reported as separate columns in the fund financial statements.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. All assets and liabilities are presented on the Statement of Net Assets. Revenues are recognized as they become susceptible to accrual, generally when they are both measurable and available, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under governmental fund accounting, only current assets and current liabilities are generally included on the Balance Sheet. Revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after the year end. Sales of services, interest, and federal grants are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds.

The District has one major governmental fund. The General Fund accounts for all financial resources of the District, except those required to be accounted for in the Millennium Fund.

ASSETS, LIABILITIES, AND NET ASSETS

Cash and Cash Equivalents

The District's primary governmental fund cash is considered to be cash on hand and is on deposit with the State Treasurer's Office.

Investments

Investments are reported at fair value. Additional disclosure is provided in Note 3.

Accounts Receivable

Accounts receivable include reimbursements from county contributions, federal grants, and client accounts. The District refers client accounts with no activity for 90 days to a collection agency and estimates that 6% of total accounts receivable from health-services clients will be uncollectable. Client recovery funds received by the collection agency are recorded as collections revenue by the District.

Inventories and Prepaid Expense

The District uses the purchase method of accounting for inventories. Expenditures made to vendors during the fiscal year that will benefit beyond June 30 of that year are considered prepaid expenses.

Interagency Receivables and Payables

Interagency receivables and payables are funds due to and from State agencies for contract services. The transfers are usually completed monthly.

Capital Assets

Purchased capital assets are reported at cost or, if the assets are donated, at market value at the date of donation. Only capital assets with a value of \$5,000 or greater are capitalized. Depreciation is recorded by use of the straight-line method. The value of each asset is reduced by equal amounts over its estimated useful life as follows:

Equipment	3-15 years
Buildings and Improvements	10-50 years
Vehicles	5 years

Maintenance, repairs, and minor renewals are charged as operating expenses when incurred. When an asset is disposed of, accumulated depreciation is deducted from the original cost and any gain or loss arising from its disposal is credited or charged to operations. See Note 7 for more information.

Accounts Payable

Payables in the government-wide financial statements consist primarily of short-term vendor obligations.

Unearned/Deferred Revenue

Unearned revenue is recorded when cash is received prior to being earned. In the governmental fund statements, deferred revenue includes unearned revenue in addition to revenue that is earned but not available. Deferred revenue also includes accounts receivable from health-services clients that are more than 60 days past due.

Other Liabilities

Other liabilities consist of payroll, benefits payable, and a portion of compensated absences payable which includes vacation and compensatory time earned by employees but not paid and retirees' unused sick leave to be used for the acquisition of health insurance. See Note 4 for more information.

Long-Term Liabilities

Government-wide financial statements report long-term obligations as liabilities, with the portion payable within 12 months designated separately from the portion payable in more than 12 months. Long-term liabilities include the following:

1. Other postemployment benefits include benefits relating to health, disability, and life insurance provided by the District to retired or disabled employees and administered by the State of Idaho as agent multiple-employer defined benefit plans. Additional disclosure is provided in Note 6.
2. Operating leases payable consist of lease contracts for which the lessee acquires the property for only a small portion of its useful life. See Note #8 for more information.
3. A portion of compensated absences payable which includes vacation and compensatory time earned by employees but not paid and retirees' unused sick leave to be used for the acquisition of health insurance. See Note #4 for more information.
4. Other long-term liabilities consist of a net pension obligation and net other postemployment benefits obligation. See Note 6 for more information.

Net Assets

Net assets include investments in capital assets net of related debt. Unrestricted assets are assets that do not fall under the previous category.

REVENUES AND EXPENDITURES/EXPENSES

In the Government-Wide Statement of Activities, revenues and expenses are segregated by activity and then by function. Additionally, revenues are classified as program or general revenues. Program revenues include charges to clients or applicants for services provided and certain grants and contributions. General revenues include General Fund appropriations, county contributions, and interest.

In the governmental fund financial statements, revenues are reported by source and expenditures are reported by function. The Special Revenue Fund is used to account for all of the District's activities except tobacco cessation, which is accounted for in the Non-Major Fund.

Immaterial differences between the financial statements and the notes are due to rounding.

NOTE 2. RESTATEMENT OF BEGINNING FUND BALANCE AND NET ASSETS

COUNTY CONTRIBUTION ACCRUAL

The beginning balances of accounts receivable and deferred revenues were restated to reflect a change in accounting principle for the county contribution pledge. Historically, county contributions received were reported on a cash basis, plus any outstanding county receivables recorded as of June 30 of the applicable fiscal year. The change is to comply with *GASB Statement 33*, paragraph 24, which states in part "...the applicable period for both the provider and the recipients is the provider's fiscal year and begins on the first day of that year.... The entire award should be recognized at that time." The beginning balance of accounts receivable as of July 1, 2007 was restated by \$255,294 to accrue the total county pledge through September 30, 2007. A corresponding liability of \$206,536 was accrued for deferred revenues.

RESTATEMENT OF DEPRECIABLE NET ASSETS

The beginning balance of depreciable net assets was restated as of July 1, 2007 to reflect actual assets on hand. The net asset restatement was necessary to adjust for corrections to the capital asset activity and depreciation schedules as stated in prior year financial statements. Previously, total depreciable assets were understated by \$79,381, and accumulated depreciation was understated by \$177,202. This resulted in a net overstatement of net assets of \$97,821.

As a result of these changes the beginning fund balance as of July 1, 2007 was restated by an increase of \$48,759 and beginning net assets were restated by an increase of \$157,474.

NOTE 3. CASH AND INVESTMENTS

The District participates in the State Treasurer's internal and external investment pools. The Idle Fund is an internal investment pool managed by the State Treasurer's Office on behalf of participants. Money not needed to meet immediate operating obligations is invested in accordance with *Idaho Code*, Sections 67-1210 and 67-1210A. Participation in the pool is voluntary.

The District participates in the Local Government Investment Pool (LGIP), which is an external investment pool sponsored by the State Treasurer's Office. A copy of the State's *Comprehensive Annual Financial Report (CAFR)*, including the investment pool's financial statement, is available from the Office of the State Controller or on the Controller's web site at "www.sco.idaho.gov."

Idaho Code, Sections 67-1210 and 67-1210A restrict the State Treasurer to certain types of investments.

Credit Ratings

The LGIP is rated AA+ by Standard & Poor's Rating Services signifying that the portfolio holdings provide extremely strong protection against losses from credit defaults.

Interest Rate Risk

Interest rate risk is the risk that changes in interest will adversely affect the fair market value of the District's investments. The LGIP has an S1+ volatility rating indicating extremely low sensitivity to changing market conditions, and a level of risk that is less than or equal to that of a portfolio comprised of the highest-quality fixed income instruments with an average maturity of one year or less.

The following schedule represents the District's investments in the external investment pool and the pool's weighted average maturity:

<u>June 30, 2008</u>	<u>Fair Value</u>	<u>Maturity</u>
Local Government Investment Pool	\$3,671,878	Less than 1 year
 <u>June 30, 2009</u>	 <u>Fair Value</u>	 <u>Maturity</u>
Local Government Investment Pool	\$3,825,929	Less than 1 year

The State Treasurer has an informal investment policy that limits certain investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

The District has no formal policy to mitigate interest rate risk or credit risk.

NOTE 4. COMPENSATED ABSENCES

The District is not part of the State, but has decided to follow State rules on compensated absences. District employee benefits include vacation and sick leave allowances. Overtime may be earned under provisions of the Fair Labor Standards Act and State law. Overtime is commonly referred to as "compensatory time" or "comp time," since employees may take time off for the accrued overtime. For the purposes of earning and accruing overtime, there are three general classes of employees:

1. Those who earn overtime at 1.5 times regular pay rates and may be paid for the overtime or take time off.
2. Those who earn overtime at the same rate as regular pay rates and may only take time off.
3. Those ineligible for overtime.

Upon termination, the following accrued leave balances are paid:

1. Vacation leave
2. Overtime for those eligible for payment

As of June 30, 2008 and June 30, 2009, the following compensated absences have been accrued by District employees. These amounts are reported on the government-wide financial statements. A liability for the amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignation or retirement. Compensated absences are paid from the District's main operating fund.

CHANGES IN COMPENSATED ABSENCES

	<u>FY 2008</u>
Beginning Balance July 1, 2007	\$ 264,286
Increases	258,968
Decreases	271,239
Ending Balance June 30, 2008	<u>\$ 252,015</u>
	 <u>FY 2009</u>
Beginning Balance July 1, 2008	\$ 252,015
Increases	274,595
Decreases	281,127
Ending Balance June 30, 2009	<u>\$ 245,483</u>

The District estimates the amount due within one year is \$246,975 and \$240,573 for fiscal years 2008 and 2009, respectively.

NOTE 5. PENSION PLAN

The Public Employee Retirement System of Idaho (PERSI) was created by the Idaho State Legislature and administers the PERSI Base Plan and the PERSI Choice Plan. The authority to establish and amend benefit provisions is established in *Idaho Code*. Designed as a mandatory system for eligible State and school district employees, the legislation provided for political subdivisions to participate by contractual agreement with PERSI.

PERSI issues publicly-available, stand-alone financial reports that include audited financial statements and required supplementary information. PERSI's annual financial reports are available on the PERSI web site at "www.persi.idaho.gov" or upon request by writing to PERSI, PO Box 83720, Boise, ID, 83720-0078.

The Base Plan is a cost-sharing, multiple-employer defined benefit retirement plan requiring that both the member and the employer contribute. The plan provides benefits based on members' years of service, age, and compensation. In addition, benefits are provided for disability or death and to survivors of eligible members or beneficiaries.

After five years of credited service, members become fully vested in retirement benefits earned to date. Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. For each month of credited service, the annual service retirement allowance is 2.0% of the average monthly salary for the highest consecutive 42 months.

The actuarially determined contribution requirements of the District and its employees are established and may be amended by the PERSI Retirement Board of Trustees. For the period from July 1, 2007 to June 30, 2009, the required contribution rate as a percentage of covered payroll was 6.23% for general members. The employer rate as a percentage of covered payroll was 10.39% for general members. District contributions required and paid were \$393,739, \$387,150, \$381,219, and \$380,778 for the four years ended June 30, 2009, 2008, 2007, and 2006, respectively.

The PERSI Choice Plan is a defined contribution retirement plan. The defined contribution plan includes the 401(k) and the 414(k). Statutes governing the PERSI Choice Plan are found in *Idaho Code*, Title 59, Chapter 13. The 414(k) plan was established for gain-sharing allocations from the PERSI Base Plan. The gain-sharing amount (if any) is based on funding levels in the PERSI Base Plan.

The 401(k) plan is open to all active PERSI Base Plan members. Eligibility for the 414(k) gain sharing requires 12 months of active PERSI membership as defined in Idaho statutes and PERSI rules. The assets of the 401(k) and the 414(k) are commingled for investment and record keeping purposes. The other significant accounting policies are the same as the PERSI Base Plan.

Participants in the 401(k) plan can make tax-deferred contributions up to 100% of the gross salary, less deductions and subject to the IRS annual contribution limit. Participants direct their own investment mix without restriction and may elect to change their deferral every pay period. For the audit period, no voluntary employer matching contributions have been made.

Additionally, PERSI administers the Sick Leave Insurance Reserve Fund, which collects salary-based contributions for State and school employees while employed and pays insurance premiums at retirement based on a portion of the accumulated balance of their unused sick leave. The District prefunds termination payment liabilities related to sick leave and other similar compensated absences with contributions to PERSI during active employment.

NOTE 6. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

SUMMARY OF PLANS

The District participates in other postemployment benefit plans relating to health and disability administered by the State of Idaho as agent multiple-employer defined benefit plans. *Idaho Code*, Sections 67-5760 to 67-5767 and 72-1335, establish the benefits and contribution obligations. Each of these benefits is provided by the District to retired or disabled employees. *GASB Statement 45* has been implemented prospectively, and the net OPEB obligation at transition was zero. The most recent actuarial valuation is as of June 30, 2008. The District has not set aside any assets to pay future benefits; the District funds these benefits on a pay-as-you-go basis. Details of the plans can be found in the *CAFR*.

PLAN DESCRIPTIONS

Retiree Healthcare Plan

A retired officer or employee of the District who is eligible to retire under the Public Employee Retirement System of Idaho (PERSI) may elect to purchase retiree health insurance coverage for themselves and eligible dependents. District employees must enroll within 60 days of the date of their retirement. Additionally, the unreduced PERSI monthly benefit at the time of retirement must meet or exceed the monthly cost of single retiree health insurance coverage, or employees must have 10 or more years (20,800 or more hours) of credited State service. Retirees eligible for medical health insurance pay the majority of the premium cost; however, the retiree plan costs are subsidized by the active employee plan. The District contributed \$32.83 in fiscal year 2008 and \$26.00 in fiscal year 2009 per active non-retired employee per month towards the retiree premium cost.

Effective July 1, 2009, changes to this benefit regarding eligibility stipulate that an officer or employee must be an active employee on or before June 30, 2009, and retire directly from State service; the maximum benefit is \$1,860 per retiree per year. Additionally, any retiree who is currently eligible will remain so until they are eligible for Medicare. Beginning January 1, 2010, coverage will not be available to Medicare-eligible retirees or their Medicare-eligible dependents.

Long-Term Disability Plan

Disabled employees are defined as being unable to perform each of the substantial and material duties of the job for which they were hired and unable to earn more than 70% of their monthly salary for the first 30 months of disability. If, after 30 months, the employee is unable to perform any job for which they are reasonably qualified by experience, education, or training, and unable to earn more than 60% of their monthly salary, the employee is considered totally disabled. To qualify for long-term disability benefits, the waiting period of the longer of 26 weeks of continuous total disability or exhaustion of accrued sick leave must be met.

This plan provides long-term disability income benefits to active employees who become disabled, generally up to a maximum age of 70. The gross benefit equals 60% of monthly pre-disability salary or \$4,000, whichever is less. The benefit does not increase with inflation and

may be offset by other sources of income such as Social Security, Workers' Compensation, unemployment benefits, and certain retirement benefits.

Employees disabled after July 1, 2003, are insured by Principal Life Insurance Company and the obligation for the payment of benefits has been effectively transferred. The District pays 100% of the cost of the premiums. The District's contribution for the period was 0.37% of payroll in fiscal year 2008 and 0.33% of payroll in fiscal year 2009. This portion of the long-term disability income benefit is not included in the actuarial estimate.

This plan provides basic life insurance and dependent life insurance to disabled employees, generally up to a maximum age of 70. The life insurance benefit amount is generally 100% of annual salary, but not less than \$20,000. In addition, a \$2,000 life insurance benefit is provided for spouses, and a \$1,000 life insurance benefit is provided for dependent children. These benefits do not increase with inflation. The District pays 100% of the cost of the premiums; the contribution is actuarially determined based on actual claims experience.

For up to 30 months following the date of disability, an employee is entitled to continue healthcare coverage under the State plan. The District pays 100% of the Public Health District's share of medical and dental premiums while the employee remains disabled. The employee is required to pay the normal active employee contribution for the plan and rate category in which the employee is enrolled. The District's contribution for the period was \$5.98 per active employee per month in fiscal year 2008 and \$6.96 per active employee per month in fiscal year 2009.

ANNUAL OPEB COST

The annual OPEB cost (AOC) is actuarially determined based on the annual required contribution (ARC) of the employer in accordance with *GASB Statement 45*. The following tables illustrate the annual OPEB cost, the amount of contributions made, the increase (decrease) in the net OPEB obligation, and the net OPEB obligation (funding excess) for the periods shown below:

Annual OPEB Cost for Fiscal Year 2008				
	Long-Term Disability Plan			
	Retiree Healthcare Plan	Life Insurance	Healthcare	Total
Annual OPEB Cost				
Amortization of UAAL	\$61,993	\$1,863	\$1,758	\$65,614
Normal Cost	94,041	1,445	5,456	100,942
Interest on NOO	7,801	164	359	8,324
Annual OPEB Cost	\$163,835	\$3,472	\$7,573	\$174,880
Contributions Made	(38,536)	(1,913)	(4,257)	(44,706)
Increase (Decrease) in Net OPEB Obligation	\$125,299	\$1,559	\$3,316	\$130,174
Net OPEB Obligation – Beginning of Year	0	0	0	0
Net OPEB Obligation (Funding Excess) – End of Year	\$125,299	\$1,559	\$3,316	\$130,174
Percentage of AOC Contributed	23.52%	55.10%	56.21%	25.56%

Annual OPEB Cost for Fiscal Year 2009
--

	Retiree Healthcare Plan	Long-Term Disability Plan		
		Life Insurance	Healthcare	Total
Annual OPEB Cost				
Annual Required Contribution	\$17,725	\$3,811	\$8,522	\$30,058
Interest on NOO	6,174	75	164	6,413
Adjustment to ARC	(8,452)	(104)	(224)	(8,780)
Annual OPEB Cost	\$15,447	\$3,782	\$8,462	\$27,691
Contributions Made	(17,148)	(5,572)	(8,128)	(30,848)
Increase (Decrease) in Net OPEB Obligation	(\$1,701)	(\$1,790)	\$334	(\$3,157)
Net OPEB Obligation – Beginning of Year	125,299	1,558	3,317	130,174
Net OPEB Obligation (Funding Excess) – End of Year	\$123,598	(\$232)	\$3,651	\$127,017
Percentage of AOC Contributed	111.02%	147.37%	96.06%	111.41%

ANNUAL OPEB COST COMPARISON

The following table compares the annual OPEB cost, the percentage of annual OPEB cost contributed and the net OPEB obligation (funding excess) for the current and prior year.

Annual OPEB Cost Comparison

		Retiree Healthcare Plan	Long-Term Disability Plan		
			Life Insurance	Healthcare	Total
Annual OPEB Cost	2008	\$163,835	\$3,471	\$7,574	\$ 174,880
	2009	\$15,446	\$3,781	\$8,462	\$ 27,689
Percentage of AOC Contributed	2008	23.52%	55.10%	56.21%	25.56%
	2009	111.02%	147.37%	96.06%	111.41%
Net OPEB Obligation (Funding Excess) – End of Year	2008	\$125,299	\$1,558	\$3,317	\$130,174
	2009	\$123,598	(\$232)	\$3,651	\$127,017

FUNDED STATUS AND FUNDING PROGRESS

The following tables illustrate the funded status and the funding progress for the Public Health District:

Funded Status and Funding Progress Fiscal Year 2008				
	Retiree Healthcare Plan	Long-Term Disability Plan		Total
		Life Insurance	Healthcare	
Actuarial Valuation Date	07/01/06	07/01/06	07/01/06	
1. Actuarial Value of Assets	\$0	\$0	\$0	\$0
2. Accrued Liability (AAL)	1,736,928	52,211	49,213	1,838,352
3. Unfunded AAL (UAAL) (2) - (1)	\$1,736,928	\$52,211	\$49,213	\$1,838,352
4. Funded Ratios (1) : (2)	0.00%	0.00%	0.00%	0.00%
5. Annual Covered Payroll	\$3,788,662	\$3,788,662	\$3,788,662	\$3,788,662
6. UAAL as a Percentage of Covered Payroll (3) : (5)	45.85%	1.38%	1.30%	48.52%

Funded Status and Funding Progress Fiscal Year 2009				
	Retiree Healthcare Plan	Long-Term Disability Plan		Total
		Life Insurance	Healthcare	
Actuarial Valuation Date	07/01/08	07/01/08	07/01/08	
1. Actuarial Value of Assets	\$0	\$0	\$0	\$0
2. Accrued Liability (AAL)	117,025	45,200	54,035	216,260
3. Unfunded AAL (UAAL) (2) - (1)	\$117,025	\$45,200	\$54,035	\$ 216,260
4. Funded Ratios (1) : (2)	0.00%	0.00%	0.00%	0.00%
5. Annual Covered Payroll	\$3,903,277	\$3,903,277	\$3,903,277	\$3,903,277
6. UAAL as a Percentage of Covered Payroll (3) : (5)	3.00%	1.16%	1.38%	5.54%

ACTUARIAL METHODS AND ASSUMPTIONS

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Required supplementary information which immediately follows the notes to the financial statements contains multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Calculations are based on the types of benefits provided under the terms of the plan at the time of each valuation and on the pattern of sharing costs between the employer and plan members. Any variations in future experience from that expected from these assumptions will result in corresponding changes in the estimated costs of the benefits. The projection of benefits for financial reporting purposes does not incorporate the potential effects of legal funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective and actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The following tables present the significant methods and assumptions for all plans:

Significant Methods and Actuarial Assumptions for Fiscal Year 2008			
	Retiree Healthcare Plan	Life Insurance	Healthcare
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization Method	Level Percentage of Payroll	Level Percentage of Payroll	Level Percentage of Payroll
Amortization Period	30 years, Open	30 years, Open	30 years, Open
Assumptions:			
Inflation Rate	3.75%	3.75%	3.75%
Investment Return	5.00%	5.00%	5.00%
OPEB Increases	N/A	N/A	N/A
Projected Salary Increases	4.50%	4.50%	4.50%
Healthcare Cost Initial Trend Rate	10.00%	N/A	10.00%
Healthcare Cost Ultimate Trend Rate	5.00%	N/A	5.00%

Significant Methods and Actuarial Assumptions for Fiscal Year 2009

	Retiree Healthcare Plan	Life Insurance	Healthcare
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization Method	Level Percentage of Payroll	Level Percentage of Payroll	Level Percentage of Payroll
Amortization Period	11 years, Closed	30 years, Open	30 years, Open
Assumptions:			
Inflation Rate	3.00%	3.00%	3.00%
Investment Return	4.50%	5.25%	4.50%
OPEB Increases	N/A	N/A	N/A
Projected Salary Increases	3.75%	3.75%	3.75%
Healthcare Cost Initial Trend Rate	13.60%	N/A	13.60%
Healthcare Cost Ultimate Trend Rate	5.00%	N/A	5.00%

NOTE 7. CAPITAL ASSETS

Capital asset activity for the years ended June 30, 2008 and 2009 is as follows:

Governmental Activities	Balances at July 1, 2007 (As Restated)	Increases	Decreases	Balances at June 30, 2008
Capital Assets not being Depreciated				
Land	\$424,735	\$50,000	\$0	\$474,735
Construction in Progress	0	1,693	0	1,693
Total Capital Assets not Being Depreciated	\$424,735	\$51,693	\$0	\$476,428
Capital Assets Being Depreciated				
Buildings and Improvements *	\$1,810,610	\$0	(\$21,387)	\$1,789,223
Equipment	203,465	63,631	0	267,096
Vehicles	366,554	68,760	(60,680)	374,634
Total Capital Assets Being Depreciated	\$2,380,629	\$132,391	(\$82,067)	\$2,430,953
Less Accumulated Depreciation for				
Buildings and Improvements	(\$389,442)	(\$37,907)	\$0	(\$427,349)
Equipment	(93,422)	(26,109)	0	(119,531)
Vehicles	(201,032)	(35,711)	48,544	(188,199)
Total Accumulated Depreciation	(\$683,896)	(\$99,727)	\$48,544	(\$735,079)
Total Capital Assets Being Depreciated, Net	\$1,696,733	\$32,664	(\$33,523)	\$1,695,874
Governmental Activities Capital Assets, Net	\$2,121,468	\$84,357	(\$33,523)	\$2,172,302

Governmental Activities	Balances at July 1, 2008	Increases	Decreases	Balances at June 30, 2009
Capital Assets not being Depreciated				
Land	\$474,735	\$0	(\$10,300)	\$464,435
Construction in Progress	1,693	90,000	0	91,693
Total Capital Assets not Being Depreciated	\$476,428	\$90,000	(\$10,300)	\$556,128
Capital Assets Being Depreciated				
Buildings and Improvements	\$1,789,223	\$0	(\$52,200)	\$1,737,023
Equipment	267,096	59,667	0	326,763
Vehicles	374,634	32,711	(47,984)	359,361
Total Capital Assets Being Depreciated	\$2,430,953	\$92,378	(\$100,184)	\$2,423,147
Less Accumulated Depreciation for				
Buildings and Improvements	(\$427,349)	(\$37,628)	\$28,588	(\$436,389)
Equipment	(119,531)	(33,371)	0	(152,902)
Vehicles	(188,199)	(39,534)	35,872	(191,861)
Total Accumulated Depreciation	(\$735,079)	(\$110,533)	\$64,460	(\$781,152)
Total Capital Assets Being Depreciated, Net	\$1,695,874	(\$18,155)	(\$35,724)	\$1,641,995
Governmental Activities Capital Assets, Net	\$2,172,302	\$71,845	(\$46,024)	\$2,198,123

*The category "Improvements Other Than Buildings" from the prior financial statements was merged with "Buildings and Improvements" in order to be consistent with asset classification. The \$6,900 was added to "Buildings and Improvements" and the applicable depreciation is being expensed as are other similar assets in the same category.

Capital assets, which include property and equipment, are reported at cost when purchased or constructed. If acquired by gift, they are recognized at the estimated fair market value at the date of the gift. Expenses for repairs or maintenance are charged to operating expenses as incurred.

Depreciation is charged to General Support. Depreciation was \$99,727 and \$110,533 for fiscal years 2008 and 2009, respectively.

NOTE 8. LEASES

OPERATING LEASES

Operating leases are leases for which the District will not gain title to the asset. They contain various renewal options, as well as some purchase options. Operating lease payments are recorded as expenditures of the related funds when paid or incurred. The District's total operating lease expenditures were \$29,557 for fiscal year 2008 and \$30,612 for fiscal year 2009.

Future minimum lease commitments for non-cancelable operating leases as of June 30, 2009 are:

Fiscal Year	Operating Lease Amounts
2010	\$32,334
2011	13,733
2012	11,808
2013	11,808
Thereafter	0
	<u>\$69,683</u>

NOTE 9. SUBSEQUENT EVENTS

The District purchased land in Caldwell to construct a new main office building. An architect has drawn up building plans, which are currently under review by the City of Caldwell. Construction of the new building is tentatively scheduled to start in calendar year 2010, with an estimated 12 month completion date. Once completed, the District plans to relocate services from the Caldwell and Nampa offices to the new building.

REQUIRED SUPPLEMENTARY INFORMATION

STATE OF IDAHO
SOUTHWEST DISTRICT HEALTH (III)
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final		Final Budget
REVENUES				
State Appropriation	\$1,540,700	\$1,540,700	\$1,540,700	\$0
State Grants and Contributions	195,750	195,750	112,517	(83,233)
County Grants	53,036	53,036	82,495	29,459
County Contributions	1,074,200	1,074,200	1,073,911	(289)
Federal Grants and Contributions	3,010,749	3,010,749	3,430,330	419,581
Fees	1,247,187	1,247,187	1,269,197	22,010
Sale of Land, Building, or Equipment	0	0	12,096	12,096
Interest	154,000	154,000	165,306	11,306
Rent	13,929	13,929	14,492	563
Miscellaneous/Other	47,300	47,300	44,382	(2,918)
	\$7,336,851	\$7,336,851	\$7,745,426	\$408,575

Reconciliation to GAAP Basis Revenues

Change in Interagency Receivable	(\$42,994)
Change in Accounts Receivable	48,298
Change in Deferred Revenue	(148,378)
Total GAAP Revenues	<u>\$7,602,352</u>

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final		Final Budget
EXPENDITURES				
Personnel Costs	\$5,668,388	\$5,668,388	\$5,283,349	\$385,039
Operating	1,684,940	1,684,940	1,815,214	(130,274)
Capital Outlay	0	0	176,761	(176,761)
Total Expenditures	\$7,353,328	\$7,353,328	\$7,275,324	\$78,004

Reconciliation to GAAP Basis Expenditures

Change in Accounts Payable	\$29,541
Change in Payroll Payable	31,328
Change in Operating Lease Payable	11,634
Change in Capital Lease Payable	(14,509)
Change in Prepaid Expense	6,078
Change in Inventory	155,955
Total GAAP Expenditures	<u>\$7,495,351</u>

The accompanying note is an integral part of this financial schedule.

STATE OF IDAHO
SOUTHWEST DISTRICT HEALTH (III)
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final		Final Budget
REVENUES				
State Appropriation	\$1,611,200	\$1,611,200	\$1,502,900	(\$108,300)
State Grants and Contributions	196,485	198,485	146,060	(52,425)
County Grants	67,670	67,670	64,487	(3,183)
County Contributions	1,160,272	1,160,272	1,160,271	(1)
Federal Grants and Contributions	3,078,260	3,080,760	3,387,414	306,654
Fees	1,295,649	1,295,649	1,082,553	(213,096)
Sale of Land, Building, or Equipment	0	0	15,297	15,297
Interest	122,905	122,905	71,478	(51,427)
Rent	13,629	13,629	10,372	(3,257)
Miscellaneous/Other	40,982	40,982	40,261	(721)
	\$7,587,052	\$7,591,552	\$7,481,093	(\$110,459)

Reconciliation to GAAP Basis Revenues

Change in Interagency Receivable	\$70,952
Change in Accounts Receivable	(65,393)
Change in Deferred Revenue	44,538
Total GAAP Revenues	<u>\$7,531,190</u>

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final		Final Budget
EXPENDITURES				
Personnel Costs	\$5,921,140	\$5,921,140	\$5,573,139	\$348,001
Operating	1,577,562	1,579,562	1,513,757	65,805
Capital Outlay	38,000	38,000	182,378	(144,378)
Total Expenditures	\$7,536,702	\$7,538,702	\$7,269,274	\$269,428

Reconciliation to GAAP Basis Expenditures

Change in Accounts Payable	\$41,590
Change in Payroll Payable	21,427
Change in Operating Lease Payable	175
Change in Prepaid Expense	(6,794)
Total GAAP Expenditures	<u>\$7,325,672</u>

The accompanying note is an integral part of this financial schedule.

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1. BUDGET COMMITTEE

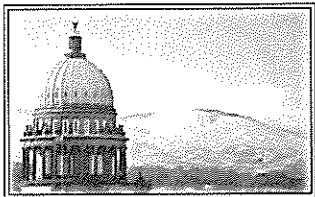
The chairmen of the boards of county commissioners located within the District serve as the Budget Committee for the District. The District Board of Health submits the budget to the Budget Committee. The budget is prepared on a cash basis. The budget for the District is approved by a majority of the Budget Committee, and any adjustments to the budget are approved by the District Board of Health.

OTHER POSTEMPLOYMENT BENEFITS

Schedule of Funding Progress:

	(1)	(2)	(3)	(4)	(5)	(6)
	Actuarial Valuation Date	Actuarial Value of Assets	Accrued Liability (AAL)	Unfunded AAL (UAAL) (2) - (1)	Funded Ratios (1) : (2)	Annual Covered Payroll
Retiree Healthcare Plan	07/01/06	\$0	\$ 1,736,928	\$ 1,736,928	0.00%	\$ 3,788,662
	07/01/08	\$0	\$ 117,025	\$ 117,025	0.00%	\$ 3,903,277
Long-Term Disability Plan:						
Life Insurance	07/01/06	\$0	\$ 52,211	\$ 52,211	0.00%	\$ 3,788,662
	07/01/08	\$0	\$ 45,200	\$ 45,200	0.00%	\$ 3,903,277
Healthcare	07/01/06	\$0	\$ 49,213	\$ 49,213	0.00%	\$ 3,788,662
	07/01/08	\$0	\$ 54,035	\$ 54,035	0.00%	\$ 3,903,277

Effective July 1, 2009, legislative changes to the Retiree Healthcare Plan regarding eligibility stipulate that an officer or employee must be an active employee on or before June 30, 2009, and retire directly from State service; the maximum benefit is \$1,860 per retiree per year. Additionally, any retiree who is currently eligible will remain so until they are eligible for Medicare. Beginning January 1, 2010, coverage will not be available to Medicare-eligible retirees or their Medicare-eligible dependents. These changes have significantly reduced the liability.



Legislative Services Office Idaho State Legislature

Serving Idaho's Citizen Legislature

Jeff Youtz
Director

April 12, 2010

Independent Auditor's Report on Internal Control over
Reporting and on Compliance and Other Matters Based
on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards*

Bruce Krosch, Director
Southwest District Health (III)
920 Main Street
Caldwell, ID 83605

William Brown, Chair, District III Board of Health
c/o Adams County Courthouse
P. O. Box 48
Council, ID 83612

Dear Mr. Krosch and Mr. Brown:

We have audited the financial statements of the governmental activities, major fund, and the remaining fund information of Southwest District Health (III) as of and for the years ended June 30, 2008 and 2009, which collectively comprise the District's basic financial statements and have issued our report thereon dated April 12, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

Mike Nugent, Manager
Research & Legislation

Cathy Holland-Smith, Manager
Budget & Policy Analysis

Don H. Berg, Manager
Legislative Audits

Glenn Harris, Manager
Information Technology

Statehouse, P.O. Box 83720
Boise, Idaho 83720-0054

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www.legislature.idaho.gov

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies that are also considered to be material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

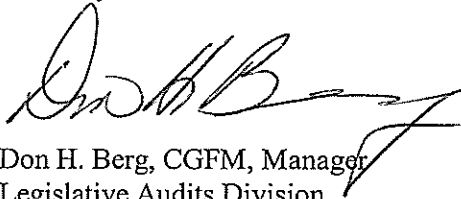
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

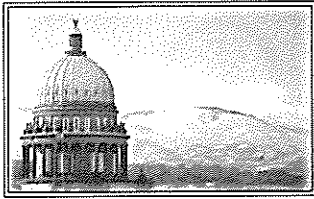
We noted certain other matters that we have reported to the management of the District in a separate letter.

This report is intended solely for the information and use of the State of Idaho, Southwest District Health (III), and the District's Board, and is not intended to be used by anyone other than these specified parties.

Sincerely,

A handwritten signature in black ink, appearing to read "Don H. Berg", with a stylized flourish at the end.

Don H. Berg, CGFM, Manager
Legislative Audits Division



Legislative Services Office Idaho State Legislature

Serving Idaho's Citizen Legislature

Jeff Youtz
Director

April 12, 2010

Independent Auditor's Report on Compliance with
Requirements Applicable to Each Major Program
and on Internal Control Over Compliance in
Accordance With OMB Circular A-133

Bruce Krosch, Director
Southwest District Health (III)
920 Main Street
Caldwell, ID 83605

William Brown, Chair, District III Board of Health
c/o Adams County Courthouse
P. O. Box 48
Council, ID 83612

Dear Mr. Krosch and Mr. Brown:

Compliance

We have audited the compliance of Southwest District Health (III) with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended June 30, 2008 and 2009. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and *OMB Circular A-133* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements, and performing such other procedures that we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended June 30, 2008 and 2009.

Mike Nugent, Manager
Research & Legislation

Cathy Holland-Smith, Manager
Budget & Policy Analysis

Don H. Berg, Manager
Legislative Audits

Glenn Harris, Manager
Information Technology

Internal Control Over Compliance

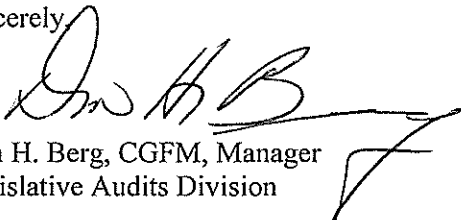
The management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct, material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on the internal control over compliance in accordance with *OMB Circular A-133*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the management of Southwest District Health (III), and the federal awarding agencies, and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

A handwritten signature in black ink, appearing to read 'Don H. Berg', with a long horizontal flourish extending to the right.

Don H. Berg, CGFM, Manager
Legislative Audits Division

STATE OF IDAHO
SOUTHWEST DISTRICT HEALTH (III)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FISCAL YEAR 2008

Federal Grantor/ Program Title	CFDA Number	Contract Number	Contract Period	Contract Amount	Federal Expenditures FY 2008	Federal Expenditures FY 2009	Total Federal Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE</u>							
Pass through from the Idaho Department of Health and Welfare							
WIC	10.557	HC557500	10/01/06 - 09/30/07	\$1,090,091	\$99,108	\$0	\$99,108
WIC	10.557	HC585200	10/01/07 - 09/30/08	1,349,086	1,080,633	268,453	1,349,086
WIC	10.557	HC626200	10/01/08 - 09/30/09	1,629,600	0	1,260,892	1,260,892
Total CFDA 10.557					\$1,179,741	\$1,529,345	\$2,709,086
TOTAL U.S. DEPARTMENT OF AGRICULTURE					\$1,179,741	\$1,529,345	\$2,709,086
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>							
Pass through from the Idaho Department of Environmental Quality							
Public Water Systems	66.468	S201	07/01/07 - 06/30/09	182,780	\$85,472	\$97,308	\$182,780
Total CFDA 66.468					\$85,472	\$97,308	\$182,780
TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY					\$85,472	\$97,308	\$182,780
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>							
Pass through from the Idaho Department of Health and Welfare							
Public Health Preparedness	93.069	HC612700	08/10/08 - 08/09/09	396,882	\$0	\$363,809	\$363,809
Total CFDA 93.069					\$0	\$363,809	\$363,809
TB/DOT	93.116	HC567500	01/01/07 - 12/31/07	12,200	\$2,959	\$0	\$2,959
TB/DOT	93.116	HC597500	01/01/08 - 12/31/08	10,846	3,923	5,773	9,696
TB/DOT	93.116	HC631700	01/01/09 - 12/31/09	9,531	0	9,531	9,531
Total CFDA 93.116					\$6,882	\$15,304	\$22,186
Family Planning, Title X	93.217	HC575900	07/01/07 - 06/30/08	136,084	\$136,084	\$0	\$136,084
Family Planning, Title X	93.217	HC604800	07/01/08 - 06/30/09	126,278	0	126,278	126,278
Total CFDA 93.217					\$136,084	\$126,278	\$262,362
Perinatal Hep B	93.268	HC638500	04/01/09 - 12/31/09	4,500	\$0	\$510	\$510
Total CFDA 93.268					\$0	\$510	\$510
Public Health Preparedness	93.283	HC556700	08/31/06 - 08/30/07	465,719	\$115,288	\$0	\$115,288
Public Health Preparedness	93.283	HC588300	08/31/07 - 08/09/08	408,880	322,158	86,722	408,880
Pandemic Influenza Planning	93.283	HC539800	06/02/06 - 08/30/07	200,078	81,863	0	81,863
Pandemic Influenza Planning	93.283	HC587400	08/31/07 - 08/09/08	100,000	32,559	62,413	94,972
Women's Health Check	93.283	HC571500	06/30/07 - 06/29/08	46,661	45,981	0	45,981
Women's Health Check	93.283	HC607300	06/30/08 - 06/29/09	47,099	0	47,099	47,099
PHEP Epidemiology	93.283	HC561600	08/31/06 - 08/30/07	163,085	24,116	0	24,116
PHEP Epidemiology	93.283	HC590400	09/12/07 - 08/09/08	132,273	109,775	8,013	117,788
PHEP Epidemiology	92.283	HC615600	08/10/08 - 08/09/09	129,600	0	103,761	103,761
West Nile Virus	93.283	HC574300	06/01/07 - 12/31/07	4,500	4,352	0	4,352
West Nile Virus	93.283	HC606100	06/01/08 - 12/31/08	4,000	656	3,210	3,866
West Nile Virus	93.283	HC639500	05/15/09 - 12/31/09	3,850	0	1,434	1,434
Arthritis Activities	93.283	HC574500	07/01/07 - 06/30/08	13,200	13,200	0	13,200
Asthma Prevention Activities	93.283	HC555100	09/06/06 - 08/31/07	17,000	8,242	0	8,242
Asthma Prevention Activities	93.283	HC583700	09/01/07 - 08/31/09	28,000	10,257	16,780	27,037
Comprehensive Cancer Control	93.283	HC572000	06/30/07 - 06/29/08	17,000	17,000	0	17,000
Comprehensive Cancer Control	93.283	HC604100	06/30/08 - 06/29/10	34,000	0	17,000	17,000
Tobacco Prevention	93.283	HC542900	07/06/06 - 03/29/09	126,217	44,682	32,787	77,469
Tobacco Prevention	93.283	HC635500	03/30/09 - 03/29/11	67,538	0	8,251	8,251
Total CFDA 93.283					\$830,129	\$387,470	\$1,217,599
IRIS	93.558	HC577500	08/06/07 - 10/31/07	19,073	\$16,978	\$0	\$16,978
IRIS	93.558	HC595300	11/01/07 - 06/30/08	35,729	35,729	0	35,729
IRIS	93.558	HC610200	07/01/08 - 06/30/09	52,653	0	52,653	52,653
Total CFDA 93.558					\$52,707	\$52,653	\$105,360

The accompanying notes are an integral part of this schedule.

STATE OF IDAHO
SOUTHWEST DISTRICT HEALTH (III)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FISCAL YEAR 2008

Federal Grantor/ Program Title	CFDA Number	Contract Number	Contract Period	Contract Amount	Federal Expenditures FY 2008	Federal Expenditures FY 2009	Total Federal Expenditures
Idaho Child Care Program	93.596	WC056000	07/01/06 - 06/30/10	\$787,028	\$178,760	\$177,880	356,640
Total CFDA 93.596					\$178,760	\$177,880	\$356,640
Hospital Preparedness	93.889	HC556100	09/01/06 - 08/31/07	241,884	\$166,197	\$0	\$166,197
Hospital Preparedness	93.889	HC589300	09/01/07 - 08/08/08	368,916	339,364	26,933	366,297
Hospital Preparedness	93.889	HC613300	08/09/08 - 08/08/09	338,659	0	310,918	310,918
Total CFDA 93.889					\$505,561	\$337,851	\$843,412
HIV Prevention Projects #1	93.940	HC536900	03/31/06 - 12/31/07	10,000	\$3,500	\$0	\$3,500
HIV Prevention Projects #2	93.940	HC536900	03/31/06 - 12/31/08	10,000	6,750	3,250	10,000
HIV Prevention Projects #3	93.940	HC536900	03/31/06 - 12/31/09	10,000	\$0	4,750	4,750
Total CFDA 93.940					\$10,250	\$8,000	\$18,250
HIV Prevention #7	93.943	HC491800	01/07/05 - 12/31/07	29,324	\$10,884	\$0	\$10,884
HIV Prevention	93.943	HC599500	01/01/08 - 12/31/08	26,974	15,338	8,686	24,024
HIV Prevention	93.943	HC633800	01/01/09 - 12/31/09	29,974	0	11,188	11,188
Total CFDA 93.943					\$26,222	\$19,874	\$46,096
HIV Surveillance	93.944	HC566800	01/01/07 - 12/31/07	3,500	\$1,750	\$0	\$1,750
HIV Surveillance	93.944	HC598200	01/01/08 - 12/31/08	3,500	1,750	1,750	3,500
HIV Surveillance	93.944	HC630900	01/01/09 - 12/31/09	3,500	0	1,750	1,750
Total CFDA 93.944					\$3,500	\$3,500	\$7,000
STD Prevention #7	93.977	HC491800	01/07/05 - 12/31/07	35,136	\$17,572	\$0	\$17,572
STD Prevention	93.977	HC599500	01/01/08 - 12/31/08	30,565	14,280	16,285	30,565
STD Prevention	93.977	HC633800	01/01/09 - 12/31/09	34,803	0	17,406	17,406
Total CFDA 93.977					\$31,852	\$33,691	\$65,543
Diabetes Activities	93.988	HC569800	04/24/07 - 03/29/08	19,500	\$17,469	\$0	\$17,469
Diabetes Activities	93.988	HC602200	04/01/08 - 03/31/09	17,000	4,113	12,887	17,000
Diabetes Activities	93.988	HC636700	03/30/09 - 03/29/10	17,250	0	3,694	3,694
Total CFDA 93.988					\$21,582	\$16,581	\$38,163
Fit & Fall Proof Activities	93.991	HC563300	11/03/06 - 09/30/07	36,000	\$12,247	\$0	\$12,247
Fit & Fall Proof Activities	93.991	HC593400	10/01/07 - 09/30/08	43,892	28,038	15,854	43,892
Fit & Fall Proof Activities	93.991	HC622700	10/01/08 - 09/30/09	39,000	0	33,109	33,109
Total CFDA 93.991					\$40,285	\$48,963	\$89,248
MCH Reproductive Health	93.994	HC563800	10/20/06 - 09/30/07	84,000	\$21,000	\$0	\$21,000
MCH Reproductive Health	93.994	HC591300	10/01/07 - 09/30/08	81,070	60,802	20,268	81,070
MCH Reproductive Health	93.994	HC627900	10/01/08 - 09/30/09	85,902	0	64,427	64,427
Oral Health	93.994	HC560400	10/04/06 - 09/30/07	37,906	2,903	0	2,903
Oral Health	93.994	HC592300	10/01/07 - 06/30/09	64,442	34,300	30,142	64,442
MCH Epidemiology	93.994	HC586000	10/01/07 - 09/30/08	29,520	17,766	11,754	29,520
MCH Epidemiology	93.994	HC623600	10/01/08 - 09/30/09	30,084	0	15,604	15,604
Total CFDA 93.994					\$136,771	\$142,195	\$278,966
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					\$1,980,585	\$1,734,559	\$3,715,144
TOTAL CASH EXPENDITURES					\$3,245,798	\$3,361,212	\$6,607,010
WIC Food Vouchers	10.557				\$3,521,416	\$3,996,066	\$7,517,482
Value of Contraceptives	93.217				108,251	135,590	243,841
TOTAL NON-CASH EXPENDITURES					\$3,629,667	\$4,131,656	\$7,761,323
TOTAL EXPENDITURES OF FEDERAL AWARDS					\$6,875,465	\$7,492,868	\$14,368,333

The accompanying notes are an integral part of this schedule.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the District and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*.

The CFDA refers to the *Catalog of Federal Domestic Assistance*, which is a government-wide list of individual federal programs. Federal award programs for which we could not determine a number are identified with the first two digits that identify the federal grantor department, followed by ".999."

NOTE 2. WIC FOOD VOUCHERS

The District uses the Idaho Department of Health and Welfare's determination of eligibility, if one exists, for clients participating in the Women, Infants and Children (WIC) program. If a client has not applied through Idaho Department of Health and Welfare for eligibility in federal programs, the District determines eligibility for participation in the WIC program using federal guidelines specific to the program. Within the WIC program, the District distributes food checks to clients and controls unissued food checks. The Idaho Department of Health and Welfare issues and redeems food checks, controls the food checks issued, and reviews program compliance. The value of the food checks redeemed through the Idaho Department of Health and Welfare was \$3,521,416 for fiscal year 2008 and \$3,996,066 for fiscal year 2009.

NOTE 3. VALUE OF CONTRACEPTIVES

The District provides contraceptives on a sliding fee scale to eligible clients of the federally funded Family Planning, Title X program. The Idaho Department of Health and Welfare purchases the contraceptives and supplies them to the District as needed. The value of contraceptives supplied to the District by the Idaho Department of Health and Welfare was \$108,251 for fiscal year 2008 and \$135,590 for fiscal year 2009.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION I. SUMMARY OF AUDITOR'S RESULTS

Basic Financial Statements

1. The independent auditor's report on the basic financial statements expressed an unqualified opinion.
2. The audit of the basic financial statements did not disclose significant deficiencies or material weaknesses in the internal control over financial reporting.
3. The audit did not disclose any instances of noncompliance considered material to the basic financial statements.

Federal Awards

4. The audit did not disclose any significant deficiencies in internal control over major programs.
5. The independent auditor's report on compliance for major programs expressed an unqualified opinion for all major programs.
6. The audit did not disclose any findings that must be reported in accordance with criteria in Section 510a of *OMB Circular A-133*.
7. Major programs are listed below:

<u>Program Title</u>	<u>CFDA Number</u>
WIC	10.557
Family Planning Title X	93.217
8. The dollar threshold used to distinguish between Type A and Type B programs was \$430,783.
9. Southwest District Health (III) did qualify as a low-risk auditee as defined by *OMB Circular A-133*.

SECTION II. FINANCIAL STATEMENT FINDINGS AND RECOMMENDATIONS

NONE

SECTION III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

NONE

AGENCY RESPONSE



Southwest District Health

920 Main St. • Caldwell, Idaho 83605 • (208) 455-5300 • Fax (208) 454-7722

1008 E. Locust
Emmett, ID 83617
208/365-6371

824 S. Diamond
Nampa, ID 83686
208/442-2806

1155 3rd. Ave. N.
Payette, ID 83661
208/642-9321

46 W. Court St.
Weiser, ID 83672
208/549-2370

Administration
455-5317

Environmental
Health
455-5400

Family Health
455-5395

General Support
455-5307

Nutrition and
Health Promotion
455-5343

May 19, 2010

Mr. Don H. Berg, Manager
Legislative Audits
Statehouse, P.O. Box 83720
Boise, ID 83720


Dear Mr. Berg:

RE: Your Ltr, March 23, 2010, Audit Update

I have reviewed the recommendation in the referenced letter relative to internal control weaknesses identified in the process for preparing the financial statements and note disclosures for fiscal years 2008 and 2009. I agree with the field auditors' observation and concur with the recommendation that the Health District review and strengthen those internal controls. We will be putting together a more stringent, layered review process before submitting the financial statements and note disclosures to your office in advance of the audit field work for fiscal year 2010.

I would like to commend you and your staff for streamlining the audit process this last cycle. Less than half the time was devoted to the audit doing field work compared to the previous cycle. The audit team was devoted to the task and conducted themselves professionally during their field work here at Southwest District Health. Your efforts in that regard are appreciated.

Sincerely,


Bruce A. Krosch, CPM
Director

APPENDIX

HISTORY

The following is a chronological history of the basic health care services that the State has provided to the public.

- 1907 The State Board of Health and counties that had local boards of health were statutorily authorized joint responsibility for public health.
- 1947 A public health district law was enacted that permitted two or more counties to establish a public health district. Participation in the forming of the health districts was voluntary.
- 1970 The legislature established a law that created seven mandatory public health districts. In Southwest District Health (III), the counties designated were Adams, Canyon, Gem, Owyhee, Payette, and Washington.
- 1976 Legislative intent was expressed that the health districts are not State agencies, and that they be recognized as authorized governmental entities.
- 1986 1993 The legislature clarified the need for health districts to use the Idaho Administrative Procedures Act for fees and rules.

PURPOSE

The purpose of Southwest District Health (III) is to provide the basic public health services of administration and support of public health programs, education, physical health, and environmental health, as well as do all things required for the preservation and protection of public health, including response to bioterrorism.

STATUTORY AUTHORITY

The statutory authority for the District is found in *Idaho Code*, Title 39, Chapter 4.

ORGANIZATION

The District is supervised by a six-member board appointed by the county commissioners in the counties served, plus one physician member, as allowed by *Idaho Code*, Section 39-411. Board members serve staggered five-year terms, and are reimbursed \$75 per working day plus all necessary travel expenses. The board appoints a director to administer and manage day-to-day activities of the District. Physicians provide medical consulting services to the District.

The District is organized into five major sections.

1. Administration. Provides day-to-day managerial guidance for the District. In fiscal year 2003, the public health preparedness programs were added under this section.
2. General Support. Provides budget, accounting, billing/collections, accounts payable, building management, as well as administrative, personnel, purchasing, and information technology support for all divisions, sections, and satellite facilities throughout the District.
3. Family Health Services. Provides services such as family planning, immunization, tuberculosis services, sexually transmitted disease (STD) treatment, HIV/AIDS testing, communicable disease treatment and control.
4. Environmental Health. Provides solid waste management services, food protection through inspection and licensing of food handling establishments, day care facility inspections, testing, certification and licensing of septic system installers and pumpers, review of subdivision engineering reports, and drinking well water testing.

5. Nutrition and Health Promotion. Provides nutrition assessment health and education services to residents and agencies throughout the District, including the administration of the Women, Infants, and Children (WIC) nutrition program. This division also provides risk reduction education and awareness programs such as cholesterol screening programs, tobacco cessation, asthma, cancer education, diabetes, and physical activity/nutrition programs.

The District's central offices and clinics are located in Caldwell. Additionally, five satellite clinics are located in Emmett, Homedale, Nampa, Payette, and Weiser. An organizational chart is attached.

STAFFING

At the end of fiscal year 2008, the District had 95 classified employees, 4 exempt employees, 6 part-time classified employees, and 15 part-time temporary employees, for a total of 120 employees.

At the end of fiscal year 2009, the District had 88 classified employees, 4 exempt employees, 6 part-time classified employees, and 14 part-time temporary employees, for a total of 112 employees.

FUNDING

Financing for the District comes from State General Fund appropriations; county contributions; contracts from federal, State, and private vendors; fees for providing client services; the sale of septic system permits; mortgage survey services; subdivision plan reviews; and food facility inspections. Also, some revenue is generated from donations. The amount included in the District's General Fund appropriation request is determined by *Idaho Code*, Section 39-425. The legislature sets the District's General Fund appropriation, which can be more or less than the amount requested.

The District also receives funds from contracts with the Idaho Department of Health and Welfare, the Idaho Department of Environmental Quality, cities, and other governmental agencies, as well as fees for public health services, environmental inspections, and licensing.

Board of Health

The numbers indicated behind the position reflect the number of people on staff not FTE's

Director (1)

Public Information Officer (1)

Administrative Assistant 2 (1)

Director
Division of Nutrition and
Health Promotion Services (1)

Clinical Assistant (25)
Nutritionist, Pub Hlth (3)
Nutritionist, Supv, Pub Hlth (1)
Office Services Supv 1 (2)
Office Specialist 1 (1)
Pub Hlth Program Mgr 1 (1)
Administrative Assistant 1 (2)
Health Ed Specialist (0)

Director
Division of Family Health Services (1)

Administrative Assistant 1 (2)
Customer Service Rep (7)
Dentist (1)
Dental Hygienist (1)
Medical Assistant (2)
Nurse, Advanced Practice (3)
Nurse, Licensed Practical (5)
Nurse, Registered, Mgr (2)
Nurse, Registered, Sr (3)
Office Services Supv 1 (1)
Office Specialist 2 (4)
Pharmacist, Clinical (1)
Physician, Pub Hlth (4)

Public Health Program
Manager 2 (1)

Administrative Assistant 1 (1)
Epidemiologist, Staff (2)
Health Ed. Specialist, Sr (1)
Nurse, Registered Sr (1)
Planner (1)

Director
Division of General Support/
Financial Manager (1)

Administrative Assistant 1 (1)
Custodian Leadworker (1)
Financial Specialist Sr (1)
Financial Support Technician (2)
IT Database Analyst (1)
IT Network Analyst (1)
IT Resource Manager (1)
Office Specialist 2 (3)
Personnel Technician (1)
Receptionist (1)

Director
Division of Environmental
Health (1)

EH Specialist 2 (6)
EH Specialist, Sr (3)
EH Supervisor (1)
Office Services Supv 1 (1)
Office Specialist 1 (1)
Office Specialist 2 (2)

FTE's

Classified (Permanent)	Non-Classified (Temporary)
Full-time = 92	Full-time = 0.00
Part-time = 4.20	Part-time = 3.04
Total = 96.20	Total = 3.04

Staff Members: 112
FTE's: 99.24

PEOPLE

Classified (Permanent)	Non-Classified (Temporary)
Full-time = 92	Full-time = 0
Part-time = 6	Part-time = 14
Total = 98	Total = 14

Bruce A. Krosch
Bruce A. Krosch, Director

9/4/09

Date

FY2009 Period Ending June 30, 2009